



WRITING THE STORY OF ARIZONA'S FUTURE

Dependent Coverage

Summary:

Despite Arizona's progress in reducing the rate of the uninsured, more than 1 million Arizonans still lack health insurance. Young adults between the age of 19 and 29 represent the fastest-growing segment of the uninsured population. Those in this age group often have part-time or entry-level jobs that don't offer health insurance benefits.

Typically, dependents are covered on their parents' insurance until the age of 19, or as long as they remain full-time students. Governor Napolitano is proposing that we help uninsured young adults keep the insurance coverage they grew up with by allowing their parents to keep them on their health insurance plans until the age of 25, regardless of whether they are full-time students.

Leading by Example

Governor Napolitano believes the state can lead by example in taking this action. She has asked the Department of Administration to change the policy for state employees and raise the age of dependency for the state health insurance plan to 25 – so long as this can be done in a way that is cost-neutral to taxpayers. Under this model, parents would pay a premium surcharge for any additional cost of covering their young adult children who are not otherwise under their plan (such as by being a full-time student).

Expanding the Idea to the Private Market

The growing number of uninsured nationwide is one of the biggest reasons that health-care costs are rising. Reducing the number of uninsured Arizonans will help to fight the tide of rising costs.

Following the state's example, the Governor is proposing that employers and insurers work with her and the legislature to reduce the ranks of the uninsured by ensuring that parents have the option of continuing health coverage for their kids up to age 25, regardless of student status. Arizona would join 14 other states in taking a similar action to ensure that families have this insurance option.